

PATENT

Application No. 09/888,213
Atty. Dkt. No. ESX/005**REMARKS**

This amendment is submitted in response to the office action dated June 30, 2005. Reconsideration and allowance of the claims is requested. In this office action, claims 5, 6, 12 and 17 were cancelled. Claims 1-4, 7-11, 13-16 and 18-26 were considered and rejected as unpatentable over *Ginter* US 5,892,900. The claims have now been edited to further emphasize the novel aspect of the present invention which include using a portable electronic authorization device (PEAD) which is especially adapted to securely and conveniently perform transactions with a portable device. As previously recited and further emphasized, to enhance the security of this system, the present invention keeps the identification relating to the user secure within his PEAD. Transaction approval occurs within the PEAD; the data requesting such approval is encrypted again within the PEAD, and then transmitted to the electronic transaction system which makes the request for the approval. These features are not presented by or described in any way by *Ginter*.

Ginter teaches a "digital right" management system, VDE (Virtual Distribution Environment) (column 2 line 20-30). The major idea of VDE is to create a distribution system to distribute digital goods such as software, musics, movies, etc. *Ginter* refers these digital goods as "contents".(column 2 line 57-64) All the teaching is on how to distribute and control the "contents" to prevent unlawful users from copying and re-distributing the "contents" without paying. Usually such VDE machine looks like a set-top box sitting in the living room not carrying by the user all the time like a credit card. All the authentication and encryption/decryption scheme involves the associated "contents" being transmitted and consumed.

On the contrary, the claimed invention is a credit card like portable device which a user can carry with him/her all the time for payment or transaction authorization purpose. It's not for receiving "contents" at all. One example to differentiate this invention from *Ginter's* is to watch a movie in a movie theater vs. through pay-per-view cable. Our system enables a movie theater to push a ticket for sales (not the movie itself!) through the xAgent. Upon receiving that message, user can decide to "buy" the ticket over the PEAD device or simple "reject" the offer. Once the user bought the ticket

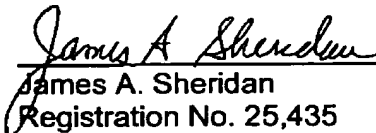
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through the PEAD device, the user can go to the movie theater later to show the evidence of purchase through PEAD and then consume the movie IN THE MOVIE THEATER. *Ginter's* disclosure does not teach how to conduct the above transaction through a PEAD at all. *Ginter's* system is always associate with a "content", in this case a movie signal being encrypted and deliver to a user's home through either cable or satellite and the set-top box like VDE machine will authenticate the user's identity and decrypt the movie signal and play back in user's TV or Computer at home.

In view of the clear distinctions between the cited reference and applicants submitted invention, reconsideration and allowance of the claims is requested.

Respectfully submitted,


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